

Fraud Facts:

- Healthcare fraud affects every American.
- The United States spends more than \$2 trillion on health care each year. It is estimated that more than \$60 billion is lost to health care fraud. –National Health Care Anti-Fraud Association–
- Fraud, waste and abuse take critical resources out of our health care system and contribute to the rising cost of health care for all Americans.
- Fraud, waste and abuse harm the short-term and long-term solvency of essential healthcare programs.
- Eliminating fraud will cut costs for families, businesses and the federal budget and increase the quality of services for those who need care.

VA is trying harder than ever to find and prevent fraud and abuse by working more closely with health care providers and strengthening oversight.

Healthcare Fraud:

the intentional misrepresentation of a material fact on a health care claim in order to receive untitled payment.



Healthcare Abuse:

excessive or improper use of services that are inconsistent with acceptable business medical practice and that result in unnecessary costs.

Healthcare Waste:

over-utilization of services and the misuse of resources that result in unnecessary costs to a health care program.

Fraud, Waste and Abuse (FWA) Laws:

The Federal False Claims Act (31 U.S.C. §§ 3729-3733)

- prohibits knowingly presenting, or causing to be presented a false claim for payment or approval
- prohibits knowingly making, using, or causing to be made or used, a false record or statement material to a false or fraudulent claim

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

- establishes health care fraud as a federal criminal offense

Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b))

- prohibits individuals or entities from knowingly and willfully offering, paying, soliciting or receiving remuneration to induce referrals of items or services covered by any federally funded program (except FEHBP)

Beneficiary Inducement Law:

- prohibits offering a remuneration that a person knows, or should know, is likely to influence a beneficiary to select a particular provider, practitioner, or supplier.

Fraud, Waste and Abuse (FWA) Penalties:

- Violations of the Federal False Claims Act include civil penalties between \$5,000 and \$10,000 plus three times the total damage per claim.
- Violations of The Beneficiary Inducement Law include civil monetary penalties of up to \$10,000 for each wrongful act.
- The Health Insurance Portability and Accountability Act of 1996 (HIPAA)—specifically established health care fraud as a federal criminal offense, with the basic crime carrying a federal prison term of up to 10 years in addition to significant financial penalties.
- The federal law also provides that should a perpetrator's fraud result in the injury of a patient, the prison term can double, to 20 years; and should it result in a patient's death, a perpetrator can be sentenced to life in federal prison.
- A violation of the anti-kickback law is a felony offense that carries criminal fines of up to \$25,000 per violation, imprisonment for up to five years and exclusion from government health care programs.
- The Balanced Budget Act of 1997 created an alternate sanction. The government may levy a civil fine of up to \$50,000 for each violation of the statute and an assessment of three times the amount of the kickback.





By far, the most common cases of healthcare fraud involve situations in which a defendant overcharges the federal government for goods or services.

Office of Inspector General Excluded Individuals/Entities

Excludes individuals or entities from participating in federal programs for reasons such as:

- conviction of fraud or abuse
- default on federal student loans
- controlled-substance violations
- licensing board actions

<http://exclusions.oig.hhs.gov/search.aspx>

What is health care fraud, waste and abuse?

Health care fraud is the intentional misrepresentation of material fact on a health care claim in order to receive untitled payment. Health care waste and abuse describe practices that, either directly or indirectly, result in unnecessary costs to a health care program.

Fraud, waste and abuse may include:

- Misrepresentation or concealment of a material fact on a health care claim
- Knowledge that the fact on a medical claim is false or misrepresented
- Intent to deprive or harm the VA and its customers financially
- Unnecessary medical services or supplies
- Lack of conformity to professionally recognized standards
- Services or supplies rendered and billed at prices exceeding customary and usual charges



Who commits health care fraud, waste and abuse?

Providers who intentionally engage in any of the following are committing health care fraud, waste and abuse. This list is not all-inclusive:

- Bill incorrectly
- Bill for services: never rendered, inappropriate/unnecessary services, or “free services”
- Make false claims about qualifications, licensure and/or education
- Falsify record to suggest on-going medical services
- Forge a physician’s signature on plans of care
- Alter information on care plans, prescriptions, and/or other medical documentation
- Change or incorrectly code a claim to receive maximum payment
- Falsify the diagnosis or procedure to maximize payment
- Change dates of service for double billing
- Waive the deductible and copays
- Routinely send duplicate claims or bill both the VA and the beneficiary, in an effort to receive payment greater than the allowed.

Individuals and/or VHA employees who engage in any of the following acts commit health care fraud, waste and abuse. This list is not all-inclusive:

- Consent with providers to submit claims for services not received or not necessary
- Fabricate claims
- Alter submitted medical documentation of any type
- Provide false application data
- Change a provider’s address to intercept provider payments



Who’s calling your office for information?

Regardless of whether it is a doctor’s office or beneficiary calling, you should ensure a proper verification process is in place to not only meet security requirements but also required privacy requirements. Authentication of the Veteran or beneficiary identity is required to update personally identifiable information (PII) or release information from a Veteran’s record (VistA, CPRS, ESR, Service Request (SR) or CCPC). Contact Representatives may use VistA entries, Hospital Inquiry (HINQ), VIS, or other reliable systems to verify callers. Ask the person calling to provide the Veteran’s full legal name, including middle name, social security number, date of birth, home address, etc...ask as many questions as necessary, but no less than three, to positively authenticate the Veteran’s identify. Once the caller is verified you may provide only the specific information being requested and only information that may be released under VHA Privacy requirements.

For additional information regarding release of information requirements please visit:

<http://vaww.vhaco.va.gov/him/refsresources.html#factsheets>

What do I do if I suspect fraud, waste or abuse?

If fraud, waste or abuse concerns can not be resolved with the non-VA provider, please report that immediately in writing to the VHA Purchased Care Program Integrity Office. Please indicate in your letter that you are filing a fraud complaint and include the following facts:

- Name and address of the provider
- Name of beneficiary who was listed as receiving the service or item
- The claim number
- The date of service in question
- The service or item that you do not believe was provided
- The reason and any supporting information or documentation why you believe the claim should not have been paid



Who should I contact if I suspect fraud, waste or abuse?

- VA Purchased Care Attn: Purchased Care Program Integrity, 3773 Cherry Creek N Dr #910 Denver, CO 80209-3812
- Phone: 1-800-488-8244 (VAOIG) Monday – Friday / Ref: VHA Purchased Care Programs
- Fax: 1-303-371-7771 / Attn: Purchased Care Program Integrity Office
- David Isaacks at 1-785-925-0605 or david.isaacks@va.gov



YOU are VHA's
#1 defense against
fraud, waste and abuse.

REPORT SUSPICIOUS ACTIVITY.
